

**APPENDIX A**  
**Initial Regulatory Flexibility Analysis**

1. As required by the Regulatory Flexibility Act (RFA),<sup>226</sup> the Commission has prepared this Initial Regulatory Flexibility Analysis (IRFA) of the possible significant economic impact on small entities by the policies and rules proposed in this *Notice of Proposed Rule Making (Notice)*. Written public comments are requested on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments on the *Notice* provided above in paragraph 105. The Commission will send a copy of the *Notice of Proposed Rule Making*, including this IRFA, to the Chief Counsel for Advocacy of the Small Business Administration.<sup>227</sup> In addition, the *Notice of Proposed Rule Making* and IRFA (or summaries thereof) will be published in the Federal Register.<sup>228</sup>

**A. Need for and Objectives of the Proposed Rules:**

2. This rule making proceeding is initiated to evaluate the impact of the Balanced Budget Act of 1997 on the Commission's auction authority for wireless telecommunications services. The Balanced Budget Act revised the original auction standard established under the Omnibus Budget Reconciliation Act of 1993. The *Notice* seeks comment on how the Balanced Budget Act's amendments to Section 309(j) affect the Commission's determinations of what services are auctionable. The *Notice* also seeks comment on the scope of the Balanced Budget Act's exemption from competitive bidding for licenses and permits issued for public safety radio services. The *Notice* also seeks comment on a Petition for Rule Making that proposes the establishment of a new radio service pool for use by electric, gas, and water utilities, petroleum and natural gas pipeline companies, and railroads, and on implementation of Section 337(c), which provides for the licensing of unassigned frequencies under certain circumstances to entities seeking to provide public safety services. In addition, the *Notice* seeks comment on whether the Balanced Budget Act's amendments to Section 309(j) require the Commission to revise its licensing schemes and license assignment methods to provide for competitive bidding in services that it previously determined were not auctionable, and on how such schemes for new services might be established. Additionally, the *Notice* seeks comment on how the Commission might implement competitive bidding to award licenses in services that will be auctionable for the first time.

**B. Legal Basis:**

3. This action is authorized under Sections 4(i), 303(r), and 309 (j) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 303(r), and 309(j).

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<sup>226</sup> See 5 U.S.C. § 603. The RFA has been amended by the Contract With America Advancement Act of 1996, Pub. L. No. 104-121, 110 Stat. 847 (1996) (CWAAA). Title II of the CWAAA is the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA).

<sup>227</sup> See 5 U.S.C. § 603(a).

<sup>228</sup> See *id.*

**C. Description and Estimate of the Number of Small Entities to Which the Proposed Rules Will Apply:**

4. The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of small entities that will be affected by the proposed rules, if adopted.<sup>229</sup> The RFA generally defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction."<sup>230</sup> In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act, unless the Commission has developed one or more definitions that are appropriate for its activities.<sup>231</sup> Under the Small Business Act, a "small business concern" is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) meets any additional criteria established by the Small Business Administration (SBA).<sup>232</sup> A small organization is generally "any not-for-profit enterprise which is independently owned and operated and is not dominant in its field."<sup>233</sup> Nationwide, as of 1992, there were approximately 275,801 small organizations.<sup>234</sup> "Small governmental jurisdiction" generally means "governments of cities, counties, towns, townships, villages, school districts, or special districts, with a population of less than 50,000."<sup>235</sup> As of 1992, there were approximately 85,006 such jurisdictions in the United States.<sup>236</sup> This number includes 38,978 counties, cities, and towns; of these, 37,566, or 96 percent, have populations of fewer than 50,000.<sup>237</sup> The Census Bureau estimates that this ratio is approximately accurate for all governmental entities. Thus, of the 85,006 governmental entities, we estimate that 81,600 (91 percent) are small entities. The policies and rules proposed in the *Notice* would affect a number of small entities who are either licensees or who may choose to become applicants for licenses in wireless services.<sup>238</sup> Below, we further describe and estimate the number of small entity licensees and regulatees that may be affected by the proposed policies and rules, if adopted.

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<sup>229</sup> 5 U.S.C. § 603(b)(3).

<sup>230</sup> 5 U.S.C. § 601(6).

<sup>231</sup> 5 U.S.C. § 601(3) (incorporating by reference the definition of "small business concern" in 15 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), the statutory definition of a small business applies "unless an agency after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register.

<sup>232</sup> 15 U.S.C. § 632.

<sup>233</sup> 5 U.S.C. § 601(4).

<sup>234</sup> 1992 Economic Census, U.S. Bureau of the Census, Table 6 (special tabulation of data under contract to Office of Advocacy of the U.S. Small Business Administration).

<sup>235</sup> 5 U.S.C. § 601(5).

<sup>236</sup> U.S. Dept. of Commerce, Bureau of the Census, "1992 Census of Governments."

<sup>237</sup> *Id.*

<sup>238</sup> See n.3.

*a. Cellular Radiotelephone Service*

5. The Commission has not developed a definition of small entities applicable to cellular licensees. Therefore, the applicable definition of small entity is the definition under the SBA rules applicable to radiotelephone (wireless) companies. This definition provides that a small entity is a radiotelephone company employing no more than 1,500 persons.<sup>239</sup> The size data provided by the SBA does not enable us to make a meaningful estimate of the number of cellular providers which are small entities because it combines all radiotelephone companies with 1000 or more employees.<sup>240</sup> The 1992 Census of Transportation, Communications, and Utilities, conducted by the Bureau of the Census, is the most recent information available. This document shows that only twelve radiotelephone firms out of a total of 1,178 such firms which operated during 1992 had 1,000 or more employees.<sup>241</sup> Therefore, even if all twelve of these firms were cellular telephone companies, nearly all cellular carriers were small businesses under the SBA's definition. The Commission assumes, for purposes of this IRFA that nearly all of the current cellular licensees are small entities, as that term is defined by the SBA.<sup>242</sup>

6. The most reliable source of information regarding the number of cellular service providers nationwide appears to be data the Commission publishes annually in its Telecommunications Industry Revenue report, regarding the Telecommunications Relay Service (TRS). The report places cellular licensees and Personal Communications Service (PCS) licensees in one group. According to the data released in November, 1997, there are 804 companies reporting that they engage in cellular or PCS service.<sup>243</sup> It seems certain that some of these carriers are not independently owned and operated, or have more than 1,500 employees; however, the Commission is unable to at this time to estimate with greater precision the number of cellular service carriers qualifying as small business concerns under the SBA's definition. For purposes of this IRFA, the Commission estimates that there are fewer than 804 small cellular service carriers.

*b. Broadband and Narrowband PCS*

7. Broadband PCS. The broadband PCS spectrum is divided into six frequency blocks designated A through F, and the Commission has auctioned licenses in each block. Of the qualified bidders in the C and F block auctions, all were entrepreneurs. Entrepreneurs was defined for these auctions as entities, together with affiliates, having gross revenues of less than \$125 million and total

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<sup>239</sup> 13 C.F.R. § 121.201, Standard Industrial Classification (SIC) Code 4812.

<sup>240</sup> U.S. Small Business Administration 1992 Economic Census Employment Report, Bureau of the Census, U.S. Department of Commerce, (radiotelephone communications industry data adopted by the SBA Office of Advocacy) (SIC Code 4812).

<sup>241</sup> U.S. Bureau of the Census, U.S. Department of Commerce, 1992 Census of Transportation, Communications, and Utilities, UC92-S-1, Subject Series, Establishment and Firm Size, Table 5, Employment Size of Firms: 1992, SIC Code 4812 (issued May 1995).

<sup>242</sup> In addition, the Commission notes that there are 1,758 cellular licenses; however, a cellular licensee may own several licenses.

<sup>243</sup> FCC, Telecommunications Industry Revenue: TRS Fund Worksheet Data, Figure 2 (Number of Carriers Paying Into the TRS Fund by Type of Carrier) (Nov. 1997).

assets of less than \$500 million at the time the FCC Form 175 application was filed. The Commission has defined "small entity" in the auctions for blocks C and F as a firm that had average gross revenues of less than \$40 million in the three previous calendar years.<sup>244</sup> For block F, an additional classification for "very small business" was added and is defined as an entity that, together with its affiliates, has average gross revenues of not more than \$15 million for the preceding three calendar years.<sup>245</sup> This definition of "small entity" in the context of broadband PCS auctions has been approved by the SBA. No small businesses within the SBA-approved definition bid successfully for licenses in blocks A and B. There were 90 bidders, including C block reauction bidders, that qualified as small entities and won licenses in block C. A total of 93 small and very small business bidders won approximately 40% of the 1,479 licenses for blocks D, E, and F.<sup>246</sup> Based on this information, we conclude that the number of small broadband PCS licensees will include the 90 winning C block bidders and the 93 winning bidders in the D, E, and F blocks, for a total of 183 small entity PCS providers as defined by the SBA and the Commission's auction rules.

8. Narrowband PCS. The Commission has auctioned nationwide and regional licenses for narrowband PCS. There are 11 nationwide and 30 regional licensees for narrowband PCS. The Commission does not have sufficient information to determine whether any of these licensees are small businesses within the SBA-approved definition for radiotelephone companies. At present, there have been no auctions held for the major trading area (MTA) and basic trading area (BTA) narrowband PCS licenses. The Commission anticipates a total of 561 MTA licenses and 2,958 BTA licenses will be awarded in the auctions. Given that nearly all radiotelephone companies have no more than 1,500 employees, and that no reliable estimate of the number of prospective MTA and BTA narrowband licensees can be made, the Commission assumes, for purposes of this IRFA, that all of the licenses will be awarded to small entities, as that term is defined by the SBA.

*c. 220 MHz Radio Services*

9. The Commission recently auctioned licenses in the 220-222 MHz band. The license blocks include five licenses in each of the 172 Economic Areas (EAs) and three EA-like areas; five licenses in six Economic Area groupings (EAGs); and three Nationwide licenses, comprising the same territory as all of the EAGs combined. For this auction, a small business was defined as an entity with average annual gross revenues of not more than \$15 million for the preceding three years,<sup>247</sup> and very small business was defined as a firm with average annual gross revenues of not more than \$3 million for the preceding three years.<sup>248</sup> A total of 373 licenses were won by 39 small business bidders and 320 licenses were won by five other bidders. Given that nearly all radiotelephone companies employ no more than 1,500 employees, for purposes of this IRFA, the Commission will consider the approximately 3,800 incumbent licensees as small businesses under the SBA definition.

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<sup>244</sup> See 47 C.F.R. § 24.720(b)(1).

<sup>245</sup> See 47 C.F.R. § 24.720(b)(2).

<sup>246</sup> FCC News, Broadband PCS, D, E, and F Block Auction Closes, No. 71744 (rel. Jan 14, 1997).

<sup>247</sup> See Amendment of Part 90 of the Commission's Rules to Provide for the Use of the 220-222 MHz Band by the Private Land Mobile Radio Service, PR Docket No. 89-552, *Third Report and Order and Fifth Notice of Proposed Rulemaking*, 12 FCC Rcd 10943, 11068-69 ¶ 291 (1997).

<sup>248</sup> 47 C.F.R. § 90.1021.

*d. Paging*

10. The Commission has proposed a two-tier definition of small businesses in the context of auctioning geographic area paging licenses in the Common Carrier Paging and exclusive Private Carrier Paging services. Under the proposal, a small business will be defined as either (1) an entity that, together with its affiliates and controlling principals, has average gross revenues for the three preceding years of not more than \$3 million; or (2) an entity that, together with affiliates and controlling principals, has average gross revenues for the three preceding calendar years of not more than \$15 million.<sup>249</sup> Since the SBA has not yet approved this definition for paging services, the Commission will utilize the SBA definition applicable to radiotelephone companies, i.e., an entity employing no more than 1,500 persons. At present, there are approximately 24,000 Private Paging licenses and 74,000 Common Carrier Paging licenses. According to Telecommunications Industry Revenue data, there were 172 "paging and other mobile" carriers reporting that they engage in these services.<sup>250</sup> Consequently, the Commission estimates that there are fewer than 172 small paging carriers. The Commission estimates that the majority of private and common carrier paging providers would qualify as small entities under the SBA definition.

*e. Air-Ground Radiotelephone Service*

11. The Commission has not adopted a definition of small business specific to the Air-Ground radiotelephone service.<sup>251</sup> Accordingly, the Commission will use the SBA definition applicable to radiotelephone companies, i.e., an entity employing no more than 1,500 persons. There are approximately 100 licensees in the Air-Ground radiotelephone service, and the Commission estimates that almost all of them qualify as small entities under the SBA definition.

*f. Specialized Mobile Radio (SMR)*

12. The Commission awards bidding credits in auctions for geographic area 800 MHz and 900 MHz SMR licenses to firms that had revenues of no more than \$15 million in each of the three previous calendar years. This regulation defining "small entity" in the context of 900 MHz SMR has been approved by the SBA. The Commission does not know how many firms provide 800 MHz or 900 MHz geographic area SMR service pursuant to extended implementation authorizations, nor how many of these providers have annual revenues of no more than \$15 million. One firm has over \$15 million in revenues. The Commission assumes for purposes of this IRFA that all of the remaining existing extended implementation authorizations are held by small entities, as that term is defined by the SBA. The Commission has held auctions for geographic area licenses in the 900 MHz SMR band 800 MHz SMR band. There were 60 winning bidders who qualified as small quantities in the 900 MHz auction. In the 800 MHz SMR auction there were 524 licenses won by winning bidders, of which 38 licenses were won by small or very small entities.

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<sup>249</sup> See Revision of Part 22 and Part 90 of the Commission's Rules to Facilitate Future Development of Paging Systems, WT Docket No. 96-18, *Second Report and Order and Further Notice of Proposed Rulemaking*, 12 FCC Rcd 2732, 2811-12 ¶¶ 178-81 (1997).

<sup>250</sup> FCC, Telecommunications Industry Revenue: TRS Fund Worksheet Data, Figure 2 (Number of Carriers Paying Into the TRS Fund by Type of Carrier) (Nov. 1997).

<sup>251</sup> Air-Ground radiotelephone service is defined in section 22.99 of the Commission's rules, 47 C.F.R. § 22.99.

*j. General Wireless Communication Service*

16. This service was created by the Commission on July 31, 1995<sup>256</sup> by transferring 25 MHz of spectrum in the 4660-4685 MHz band from the federal government to private sector use. The Commission sought and obtained SBA approval of a refined definition of "small business" for GWCS.<sup>257</sup> According to this definition, a small business is any entity, together with its affiliates and entities holding controlling interests in the entity, that has average annual gross revenues over the three preceding years that are not more than \$40 million.<sup>258</sup> The Commission will offer 875 geographic area licenses, based on Economic Areas, for GWCS. In estimating the number of small entities that may participate in the GWCS auction, the Commission anticipates that the makeup of current wireless services licensees is representative of future auction winning bidders.

*k. Fixed Microwave Services*

17. Microwave services includes common carrier fixed,<sup>259</sup> private operational fixed,<sup>260</sup> and broadcast auxiliary radio services.<sup>261</sup> At present, there are 22,015 common carrier fixed licensees and approximately 61,670 private operational fixed licensees and broadcast auxiliary radio licensees in the microwave services. The Commission has not yet defined a small business with respect to microwave services. For purposes of this IRFA, the Commission will utilize the SBA definition applicable to radiotelephone companies, i.e., an entity with less than 1,500 persons. The Commission estimates that for purposes of this IRFA all of the Fixed Microwave licensees (excluding Multiple Address Systems broadcast auxiliary radio licensees) would qualify as small entities under the SBA definition for radiotelephone communications.

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<sup>256</sup> See Allocation of Spectrum Below 5 GHz Transferred from Federal Government Use, ET Docket No. 94-32, *Second Report and Order*, 11 FCC Rcd 624 (1995).

<sup>257</sup> See Letter to Daniel B. Phythyon, Chief, Wireless Telecommunications Bureau, Federal Communications Commission, from Aida Alvarez, Administrator, U.S. Small Business Administration, dated May 19, 1998.

<sup>258</sup> See 47 C.F.R. § 26.4.

<sup>259</sup> 47 C.F.R. § 101 *et seq.* (formerly Part 21 of the Commission's rules).

<sup>260</sup> Persons eligible under Parts 80 and 90 of the Commission's rules can use private Operational Fixed Microwave services. See, 47 C.F.R. § 80.1 *et seq.*; 47 C.F.R. § 90.1 *et seq.* Stations in this service are called operational-fixed to distinguish them from common carrier and public fixed stations. Only the licensee may use an operational-fixed station, and only for communications related to the licensee's commercial, industrial, or safety operations.

<sup>261</sup> Auxiliary Microwave Service is governed by Part 74 of Title 47 of the Commission's rules. See 47 C.F.R. § 74.1 *et seq.* Available to licensees of broadcast stations and to broadcast and cable network entities, broadcast auxiliary microwave stations are used for relaying broadcast television signals from the studio to the transmitter, or between two points, such as a main studio and an auxiliary studio. The broadcast auxiliary microwave services also include mobile TV pickups which relay signals from a remote location back to the studio.

*l. Amateur Radio Service*

18. The Commission estimates that 10,000 applicants applied for vanity call signs in FY 1998. All are presumed to be individuals. Amateur Radio service licensees are coordinated by Volunteer Examiner Coordinators (VECs).<sup>262</sup> The Commission has not developed a definition for a small business or small organization that is applicable for VECs. The RFA defines the term "small organization" as meaning "any not-for-profit enterprise which is independently owned and operated and is not dominant in its field..."<sup>263</sup> The Commission's rules do not specify the nature of the entity that may act as a VEC. All of the sixteen VEC organizations would appear to meet the RFA definition for small organizations.

*m. Personal Radio Services*

19. Personal radio services provide short-range, low power radio for personal communications, radio signaling, and business communications not provided for in other services. These services include citizen band (CB) radio service, general mobile radio service (GMRS), radio control radio service, and family radio service (FRS).<sup>264</sup> Inasmuch as the CB, GMRS, and FRS licensees are individuals, no small business definition applies for these services. To the extent any of these licensees may be small entities under the SBA definition, the Commission is unable at this time to estimate the exact number.

*n. Rural Radiotelephone Service*

20. The Commission has not adopted a definition of small entity specific to the Rural Radiotelephone Service.<sup>265</sup> A significant subset of the Rural Radiotelephone Service is the Basic Exchange Telephone Radio Systems (BETRS).<sup>266</sup> The Commission will use the SBA definition applicable to radiotelephone companies; i.e., an entity employing no more than 1,500 persons. There

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<sup>262</sup> ARRL/VEC and the W5YI-VEC are components of organizations that publish materials marketed to persons for the purpose of preparing for passing the examinations required for the grant of an amateur operator license. This publishing activity is separate from their VEC activity. A VEC is an organization that has entered into a written agreement with the FCC to coordinate the examinations for amateur operator licenses. The examinations are prepared and administered by tens of thousands of amateur operators who serve as Volunteer Examiners. The VEC organization must exist for the purpose of furthering the amateur service, be capable of service as a VEC in at least one of the thirteen VEC regions, agree to coordinate the examinations, agree to assure that every examinee is registered without regard to race, sex, religion, national origin or membership in any amateur service organization, and cooperate in maintaining the question pools for VECs. See 47 C.F.R. §§ 97.521, 97.523.

<sup>263</sup> 5 U.S.C. § 601(4).

<sup>264</sup> The Citizens Band (CB) Radio Service, General Mobile Radio Service (GMRS), Radio Control (R/C) Radio Service, and Family Radio Service (FRS) are governed by subpart D, subpart A, subpart C, and subpart B, respectively, of Part 95 of the Commission's rules. 47 C.F.R. §§ 95.401 through 95.428; 47 C.F.R. §§ 95.1 through 95.181; 47 C.F.R. §§ 95.201 through 95.225; 47 C.F.R. §§ 95.191 through 95.194.

<sup>265</sup> Rural Radiotelephone Service is defined in section 22.99 of the Commission's rules, 47 C.F.R. § 22.99.

<sup>266</sup> BETRS is defined in sections 22.757 and 22.729 of the Commission's rules, 47 C.F.R. §§ 22.757, 22.729.

are approximately 1,000 licensees in the Rural Radiotelephone Service, and the Commission estimates that almost all of them qualify as small entities under the SBA definition.

*o. Marine Coast Service*

21. The Commission recently concluded its auction of Public Coast licenses in the 157.1875-157.4500 MHz (ship transmit) and 161.775-162.0125 MHz (coast transmit) bands. For purposes of this auction, the Commission defined a "small" business as an entity that, together with controlling interests and affiliates, has average gross revenues for the preceding three years not to exceed \$15 million dollars. A "very small" business is one that, together with controlling interests and affiliates, has average gross revenues for the preceding three years not to exceed \$3 million dollars.<sup>267</sup> There are approximately 10,672 licensees in the Marine Coast Service, and the Commission estimates that almost all of them qualify as small under the SBA definition.

*p. Wireless Communications Services (WCS)*

22. This service can be used for fixed, mobile, radiolocation, and digital audio broadcasting satellite uses. The Commission defined "small business" for the WCS auction as an entity with average gross revenues of \$40 million for each of the three preceding years.<sup>268</sup> The Commission auctioned geographic area licenses in the WCS service. In the auction, there were seven winning bidders who qualified as very small business entities, and one that qualified as a small business entity. Based on this information, the Commission concludes that the number of geographic area WCS licensees affected includes these eight entities.

*q. Public Safety Radio Services and Governmental Entities*

23. Public Safety radio services include police, fire, local governments, forestry conservation, highway maintenance, and emergency medical services.<sup>269</sup> There are a total of approximately 127,540

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<sup>267</sup> Amendment of the Commission's Rules Concerning Maritime Communications, PR Docket No. 92-257, *Third Report and Order and Memorandum Opinion and Order*, 13 FCC Rcd 19853, 19884-85 ¶ 65 (1998).

<sup>268</sup> See Amendment of the Commission's Rules to Establish Part 27, the Wireless Communications Service ("WCS"), GN Docket 96-228, *Report and Order*, 12 FCC Rcd 10785, 10879 ¶ 194 (1997).

<sup>269</sup> With the exception of the special emergency service, these services are governed by subpart B of part 90 of the Commission's rules. 47 C.F.R. §§90.15 through 90.27. The police service includes 26,608 licensees that serve state, county and municipal enforcement through telephony (voice), telegraphy (code) and teletype and facsimile (printed material). The fire radio service includes 22,677 licensees comprised of private volunteer or professional fire companies as well as units under governmental control. The local government service that is presently comprised of 40,512 licensees that are state, county or municipal entities that use the radio for official purposes not covered by other public safety services. There are 7,325 licensees within the forestry service which is comprised of licensees from state departments of conservation and private forest organizations who set up communications networks among fire lookout towers and ground crews. The 9,480 state and local governments are licensed to highway maintenance service provide emergency and routine communications to aid other public safety services to keep main roads safe for vehicular traffic. The 1,460 licensees in the Emergency Medical Radio Service (EMRS) use the 39 channels allocated to this service for emergency medical service communications related to the actual delivery of emergency medical treatment. 47 C.F.R. §§ 90.15 through 90.27. The 19,478 licensees in the special emergency service include medical services, rescue organizations,

licensees within these services. Governmental entities as well as private businesses comprise the licensees for these services. As noted above, governmental entities with populations of less than 50,000 fall within the SBA definition of a small entity.<sup>270</sup> There are 85,006 governmental entities in the nation, as of the last census.<sup>271</sup> This number includes such entities as states, counties, cities, utility districts, and school districts. There are no figures available on what portion of this number has populations of fewer than 50,000; however, this number includes 38,978 counties, cities, and towns and of those, 37,566 or 96 percent, have populations of fewer than 50,000.<sup>272</sup> The Census Bureau estimates that this ratio is approximately accurate for all governmental entities. Thus, of the 85,006 governmental entities, the Commission estimates that 96 percent or 81,600 are small entities that may be affected by our rules.

**D. Description of Projected Reporting, Recordkeeping, and other Compliance Requirements:**

24. At this time, the Commission does not anticipate the imposition of new reporting, recordkeeping, or other compliance requirements as a result of this *Notice*. We seek comment on this tentative conclusion.

**E. Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered:**

25. Section 309(j) of the Communications Act directs the Commission to disseminate licenses among a wide variety of applicants, including small businesses and other designated entities.<sup>273</sup> Section 309(j) also requires that the Commission ensure the development and rapid deployment of new technologies, products, and services for the benefit of the public, and recover for the public a portion of the value of the public spectrum resource made available for commercial use.<sup>274</sup> In addition, Section 337 gives eligible providers of public safety services a means to obtain unassigned spectrum not otherwise allocated for public safety purposes.<sup>275</sup> The Commission believes the policies and rules proposed in this *Notice* help meet those goals and promote efficient competition while maintaining the fair and efficient execution of the auctions program. We seek comment, therefore, on all proposals and alternatives described in the *Notice*, and the impact that such proposals and alternatives might have on small entities.

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veterinarians, handicapped persons, disaster relief organizations, school buses, beach patrols, establishments in isolated areas, communications standby facilities and emergency repair of public communication facilities. 47 C.F.R. §§ 90.33 through 90.55.

<sup>270</sup> 5 U.S.C. § 601(5).

<sup>271</sup> 1992 Census of Governments, Bureau of the Census, U.S. Department of Commerce.

<sup>272</sup> *Id.*

<sup>273</sup> 47 U.S.C. § 309(j)(3)(B).

<sup>274</sup> 47 U.S.C. §§ 309(j)(3)(A), (C).

<sup>275</sup> See 47 U.S.C. § 337(c)(1).

**F. Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rules:**

26. None.